

WHAT IS CLAIMED IS:

1. An electronic bidding system, comprising:
means for enabling each of a plurality of vendors to
submit bids on at least two parameters associated with a
5 product;

means for calculating the total cost of the product to
a purchaser for each vendor in response to the vendors
bids, the total cost taking into account the at least two
parameters associated with the product; and

10 means for outputting each of the vendors bids and the
total cost of the product to the purchaser.

2. The bidding system of Claim 1, wherein the bids
include a plurality of parameters for the product and the
15 total cost calculating means determines the total cost of
the product to the purchaser using a pre-determined total
cost formula.

3. The bidding system of Claim 2, wherein the total
20 cost formula includes at least one pre-defined constant.

4. The bidding system of Claim 1, further
comprising:

means for communicating a vendor bid having the best
25 total cost for the product to the vendors without revealing
the identification of the vendor with the best total cost
to encourage competitive bidding by the other vendors.

5. The bidding system of Claim 1, further comprising:

means for enabling the purchaser to make at least one adjustment corresponding to at least one of the vendor bids
5 which is used by the calculating means to determine the total cost of the product to the purchaser.

6. The bidding system of Claim 1, further comprising:

10 means for enabling communication with the vendors during the bidding.

7. The bidding system of Claim 6, wherein said communication means enables messages to be sent to the
15 vendors to encourage further bidding by the vendors.

8. The bidding system of Claim 7, wherein said communication means enables messages to be sent to the vendors regarding the status of the bidding, ending time
20 for the bidding and extensions of the bidding.

9. The bidding system of Claim 1, further comprising:

means for calculating the amount of savings for the
25 purchaser and means for communicating the savings to the purchaser.

10. The bidding system of Claim 1, further comprising:

30 means for setting up the bidding on the product.

11. An electronic auction system, comprising:
a computer readable storage medium;

software stored on the computer readable storage
medium and operable to receive bids from a plurality of
5 vendors, each bid comprising a plurality of parameters
associated with at least one product, calculate the total
cost of the at least one product to a purchaser for each
vendor in response to the vendors' bids, the total cost
taking into account the plurality of parameters associated
10 with the at least one product, and output each of the
vendors bids and the total cost of the product to the
purchaser.

12. The electronic auction system of Claim 11,
15 wherein the at least two parameters are selected from the
group consisting of price, discount, delivery,
installation, training, maintenance, the risks covered by
warranty, and length of warranty.

20 13. The electronic auction system of Claim 11,
wherein the software is further operable to send data,
comprising a vendor bid having the best total cost for the
product, to the vendors during the auction without
revealing the identification of the vendor with the best
25 total cost.

14. The electronic auction system of Claim 11, wherein the software is further operable to send data to the vendors during the bidding to stimulate competitive bidding.

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15. The electronic auction system of Claim 11, wherein the software is further operable to enable the purchaser to make at least one adjustment corresponding to at least one vendor bid which is used by the central
10 auction management system to calculate the total cost of the product to the purchaser.

16. The electronic auction system of Claim 11, wherein the total cost calculated for each vendor uses a
15 single formula for all vendors.

17. The electronic auction system of Claim 11, wherein the total cost calculated for each vendor uses a plurality of formulas, each vendor having one of the
20 plurality of formulas associated with it.

18. The electronic auction system of Claim 11, wherein the plurality of parameters is further associated with a plurality of products.

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19. The electronic auction system of Claim 11, wherein the auction results take into account vendors bids on a market basket of products.

20. The electronic auction system of Claim 11, wherein bids from vendors are received through the Internet.

21. The electronic auction system of Claim 11, wherein the software is further operable to provide a vendor with data about the status of an auction while the auction is in progress.

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22. The electronic auction system of Claim 11, wherein the software is further operable to provide a purchaser with data about the status of an auction while the auction is in progress.

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23. The electronic auction system of Claim 11, wherein the software is further operable to control which vendors are allowed to participate in an auction.

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24. The electronic auction system of Claim 11, wherein the software is further operable to allow a total cost formula to be defined for each product in an auction.

25. A method of conducting an on-line auction, comprising:

receiving bids from a plurality of vendors, each bid comprising a plurality of parameters associated with at least one product, calculating, using a computer, the total cost of the at least one product to a purchaser for each vendor in response to the vendors' bids, the total cost taking into account the plurality of parameters associated with the at least one product, and outputting, using the computer, each of the vendors bids and the total cost of the product to the purchaser.

26. The method of Claim 25, further comprising:

defining a plurality of parameters for a category of products; and

defining a total cost formula for the category of products in response to the plurality of parameters.

27. The method of Claim 26, wherein the total cost formula includes at least one constant associated with at least one parameter.

28. The method of Claim 25, wherein the plurality of parameters includes price and non-price parameters.

29. The method of Claim 28, wherein the price parameters include at least one of a base price, volume discounts, rebates, life cycle discounts, utilization charges, maintenance charges and administration charges.

30. The method of Claim 28, wherein the non-price parameters include at least one of delivery timing, national service coverage, minimum quality levels, employee skill levels, a dedicated account management team, special
5 reporting requirements, online ordering, warranty and length of contract.

31. The method of Claim 26, wherein defining a plurality of parameters comprises defining at least two
10 sub-categories for the category of products, and defining at least two parameters for each subcategory.

32. The method of Claim 25, further comprising:
communicating the best vendor's bid to the other
15 vendors to encourage competitive bidding.